

1 Adopt 2 Cal. Code Regs. Section 18530.4 to read:

2 **18530.4 Legal Defense Funds.**

3 (a) Notwithstanding Government Code section 85201, candidates who raise legal
4 defense funds pursuant to Government Code section 85304 must deposit those funds in a single
5 bank account at a financial institution located in the State of California which is separate from
6 any other bank account held by the official, including any campaign bank account. The
7 candidate must establish a controlled committee for the account by filing a statement of
8 organization pursuant to Government Code section 84101. The words “Legal Defense Fund”
9 shall be included as part of the committee name.

10 (b) The committee shall file quarterly campaign statements as follows:

11 (1) No later than April 30 for the period of January 1 through March 31.

12 (2) No later than July 31 for the period of April 1 through June 30.

13 (3) No later than October 31 for the period of July 1 through September 30.

14 (4) No later than January 31 for the period of October 1 through December 31.

15 (c) Contributions to a legal defense fund account are not subject to Government Code
16 sections 85200, 85201 and 85402.

17 (d) An elected state officer or candidate for elective state office may establish a legal
18 defense fund under Government Code section 85304 regardless of the individual’s status as a
19 local candidate or officeholder.

20 (e) Funds raised pursuant to Government Code section 85304 are limited to that amount
21 reasonably necessary to defray the attorney fees and other legal costs related to the proceeding
22 for which the fund was created.

1 (f) Remaining legal defense funds, as defined by subdivision (c) of Government Code
2 section 85304, may be disposed of for the purpose set forth in subdivisions [Decision 1, option
3 a: (b)(1); or b: (b)(2)] through (b)(5) of Government Code section 89519, except that such
4 discharge is subject to the provisions of Government Code sections 85301-85306 and 2 Cal.
5 Code Regs. Section 18536. [Decision 1, option b: Funds disposed of pursuant to subdivision
6 (b)(1) of section 89519 must be attributed to the actual contributor in the amount actually
7 contributed and are subject to the provisions of Government Code sections 85301-85305.]

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9 NOTE: Authority cited: Section 83112, Government Code.
10 Reference: Sections 85301 - 85306 and 89519, Government Code.